REMARKS

Claims 1, 3-6, 13, 15-18, and 25 are currently pending in the application. Claim 2 has been canceled and its features have been incorporated into claim 1. Similarly, claim 14 has been canceled and its features have been incorporated into claim 13. Claim 25 has been amended to incorporate the features of claims 2 and 14, and claim 27 has been canceled. Based on the amendments to claims 1 and 13, claims 5 and 17 have been amended to eliminate the requirement that evaluation prices are represented as a non-linear function relative to the desired volume of said product in said transaction. Claims 1, 25 and 27 have been amended to eliminate a reference to "product types". This amendment addresses both the rejection lodged under 35 U.S.C. 112, second paragraph, set forth in the November 17, 2005 office action, and corrects the claims in the application to be focused on the elected invention, as noted in the office action dated June 6, 2006. As noted in the office action of June 6, 2006, previous amendments focused on auction involving multiple product types were drawn to a non-elected invention, and were not focused on an auction focused on a specific volume of "a product", as set forth in original claims 1-6, 13-18, 25 and 27. This embodiment is discussed in Example 1 and is referenced on page 18, at lines 9-10. Claims 4 and 17 have been amended to better flow from revised claims 1 and 13.

All claims were rejected as being obvious over U.S. Patent Publication 2003/0018560 to Dietrich. The rejection is traversed.

Dietrich is focused on using linear constraints in auctions involving multiple items. See, for example, claim 6, paragraph 27, 28, and 36. Paragraph 28 referenced by the Examiner states that while non-linear constraints "may also be of interested and are included in this invention...a restriction to linear constraints is generally a desirbale feature for an auction system" (emphasis added). With reference to paragraph 31 of Dietrich it can be seen that the concept of entering a maximum number and minimum number of the product desired (as well as other constraints). This is not the same as the evaluation prices are represented as a non-linear function relative to the desired volume of said product in said transaction, as is specified in claims 1, 13 and 25 of the

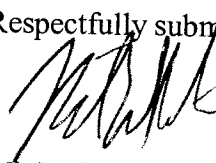JP92000-253   10/003,684   00280823AA

present application. As explained on page 19 of the application the evaluation price for a single product unit is not fixed, and can vary in accordance with the purchase volume. "Thus, the product evaluation price e_k is a function $e_k(x)$ of the number x of products to be purchased". Thus, the Dietrich reference will allow a linear, and possibly a non-linear constraint, to be imposed on a bid, but it does not factor in a nonlinear function such as a discount for different volumes <u>where dynamic programming is then used to generate a subset of bids wherein a maximum gain is obtained within a range represented by a count of said product available for sale</u>. This is specifically required in each of the independent claims of the present application. As such, the claims are not obvious over Dietrich.

In view of the foregoing, it is requested that the application be reconsidered, that claims 1, 3-6, 13, 15- 8, and 25 be allowed, and that the application be passed to issue.

Should the Examiner find the application to be other than in condition for allowance, the Examiner is requested to contact the undersigned at 703-787-9400 (fax: 703-787-7557; email: mike@wcc-ip.com) to discuss any other changes deemed necessary in a telephonic or personal interview.

If an extension of time is required for this response to be considered as being timely filed, a conditional petition is hereby made for such extension of time. Please charge any deficiencies in fees and credit any overpayment of fees to Deposit Account 50-0510 (IBM-Yorktown).

Respectfully submitted,

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